



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8

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Ref: 8EPR/ENF

MEMORANDUM

SUBJECT: Reclassification of Special Account Funds for the Vermiculite Intermountain Site, 08GA Special Account

FROM: *for* Carol Campbell *Marie Dettl*
Assistant Regional Administrator
Office of Ecosystems Protection and Remediation (EPR)

Eddie Sierra *Eddie A. Sierra*
Acting Assistant Regional Administrator
Office of Enforcement, Compliance and Environmental Justice (ECEJ)

TO: Elliot Gilberg, Acting Director
Office of Site Remediation Enforcement (OSRE)
Office of Enforcement and Compliance Assurance (OECA)

Jim Woolford, Director
Office of Superfund Remediation and Technology Innovation (OSRTI)
Office of Solid Waste and Emergency Response (OSWER)

The purpose of this memo is to serve as notification of the Region's intent to reclassify all of the special account monies remaining in the Vermiculite Intermountain Site (Site) (08GA) special account. The total amount to be reclassified is \$560,036.65 as of June 15, 2009. As discussed below, the Region has no remaining future needs so that the amount identified can be reclassified. The Region plans to request recertification in accordance with the current fiscal year Deobligation Recertification Guidance. The remainder of the money in the special account will be returned to the fund and the account closed.

Site Background

The Site is the location of one of the many businesses across the country that received and processed vermiculite ore from the Libby, Montana, mine site (Libby Asbestos). The Libby mine, at one time, produced approximately 80% of the world's supply of vermiculite ore. From Libby, some of the ore was shipped to various locations throughout the United States for further processing and distribution. Vermiculite ore from the Libby mine is co-mingled with amphibole asbestos of the tremolite-actinolite-richterite-winchite solution series and varying amounts of tremolite asbestos remain at many of the facilities which managed and/or processed

ore from the Libby mine.

The Site is located in the heart of Salt Lake City and received vermiculite ore in rail cars from approximately 1940 until the early 1980s. In the mid 1980s, the facility was sold and the processing plant was relocated to another site several blocks away. At these facilities, ore was heated in a dry furnace until the imbedded layers of asbestos expanded or "exfoliated". The exfoliated vermiculite was then released to wholesale and retail markets for a variety of uses including home and building insulation and as a soil amendment. The Site now consists of a Utah Power and Light substation, a commercial parking lot, and small businesses. The surrounding neighborhood is primarily commercial and recreational. Initial investigations revealed asbestos contamination in soils surrounding the substation and inside the print shop and warehouse. An adjacent property was also found to be contaminated with asbestos.

In 2004, Utah Power and Light, under AOC CERCLA 08-2004-0017, cleaned up their property, completing that removal on September 14, 2005. EPA performed removal actions to address asbestos contamination at two small businesses, completing those removals on December 27, 2005. EPA then negotiated a cost recovery settlement with several parties afterward (see below), which was concluded in 2008.

All work at the Site has been completed and the parties are maintaining post-removal site controls to ensure the integrity of the removal actions.

Settlement and Special Account

EPA recovered \$541,000 in past response costs under a settlement with the PRPs, Van Cott Bagley Trust, PacifiCorp, and La Quinta (CERCLA 08-2008-0001). This money was placed into a special account to assist EPA in paying for future work at the site. In addition, EPA entered into a settlement in bankruptcy court which included costs for this Site. The settlement provides for up to \$350,000 for this Site upon approval of Grace's plan of reorganization. If any funds are received from that final bankruptcy settlement, those funds will be returned to the fund. All response costs incurred at this Site, including past response costs and future costs, have been or will be recovered. EPA has incurred \$2,239,190.11 in response costs at this site through February 28, 2009.

Discussion of Future Work and Rationale for Reclassification

Region 8 is requesting that the remaining funds in the Special Account first be used to reimburse the Region for the unrecovered response action related costs for the site. There are no additional costs anticipated with the Vermiculite Intermountain Site for post removal site control activities, as the PRPs are required to conduct those activities under the settlement agreement. The remaining balance (principal/interest) in the Vermiculite Intermountain Special Account as of June 15, 2009, is \$560,036.65.

The Site On-Scene Coordinator has determined that there is no future work needed; therefore, the special account will be closed after this reclassification. Region 8 would like to

proceed with a reclassification of approximately \$560,036.65 in past response costs that were incurred prior to the establishment of the special account.

Discussion of Planned Use for Recertified Funds

The funds will be used as follows:

Removal: \$491,830.68 to fund the removal action at the American Lead and Zinc site
Remedial: \$9201.82 for the California Gulch site ADR
Enforcement: \$59,004.15 for the PRP search at Barker Hughesville and the Montana Office Records Center.

Please call Kelcey Land, at 303-312-6393, Joyce Ackerman, Vermiculite Intermountain, OSC, at 303-312-6822, or Richard Sisk, site attorney, at 303-312-6638, if you have any questions or concerns about this action.

cc: Connie Ely, OFS, OCFO
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